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SUBJECT: JERUSALEM MEDIA REACTION (8/27): Guarded Optimism following Rice's Meetings with Palestinians and Israelis

Main Stories:

News about the visit of the U.S. Secretary of State, Condoleezza Rice, to Ramallah on August 26 and her meeting with the Palestinian Authority (PA) President, Mahmoud Abbas, capture the front page headlines of the three dailies. The dailies report that during their joint press conference in Ramallah, Rice and Abbas stated that the Israeli settlement activities in the Palestinian lands form an obstacle to the peace process and contradict agreements, the Road Map, and the targets of negotiations in the anticipated peace process. The official spokesperson of the Palestinian Presidency, Nabil Abu Rudayna, said on August 26 in an interview with AFP that for the first time, Rice suggested new ideas in the context of the peace process and that the coming weeks will be crucial. Following the Rice-Abbas meeting, the Palestinian Chief Negotiator announced that Abbas will meet with the Israeli Premier, Ehud Olmert, on August 31 and will meet with President Bush in September.

All dailies highlight news about developments in the Palestinian national dialogue in Cairo. They report that the Islamic Jihad leader, Muhammad Al-Hindi, said on August 26 that Egypt's mission to unite the Palestinians is difficult but not impossible. Another leader in the Islamic Jihad, Nafez Azzam, said that his party discussed a number of solutions, including the formation of a national unity government, with the Egyptian Chief of Intelligence, Omar Suleiman. Citing DBA, Al-Quds and Al-Ayyam write that according to Muhammad Al-Hindi, the Cairo dialogues between the Palestinian factions will continue during the month of Ramadan.

Citing different news agencies, the three dailies write that a reliable Palestinian security source declared on August 26 that the Palestinians and Israelis agreed to close the files on dozens of Palestinians who are wanted by Israel, with Israel agreeing not to

pursue or attack these individuals.

All dailies cover a meeting between the Egyptian President, Hosni Mubarak, and the Israeli Minister of Defense, Ehud Barak, on August 26. They write that the Egyptian president urged Israel to cooperate in order to improve the humanitarian conditions in the Gaza Strip and to demonstrate flexibility in order to achieve a prisoner exchange deal [with Hamas] before the beginning of Ramadan.

The dailies highlight the results of a report produced by the Israeli NGO "Peace Now," stating that Israeli settlement activities in the West Bank doubled during the first half of 2008.

Al-Ayyam reports that negotiations between Palestinian factions are being held in the Gaza Strip in order to form a national committee to release the political prisoners arrested in the wake of the Gaza beach explosion. Reliable sources told Al-Ayyam that by giving consent for the committee to be formed, President Abbas allowed negotiations between the Palestinian factions to accelerate.

Citing a Reuters story, Al-Hayat Al-Jadida reports that according to an Israeli official, Israel closed its crossing points with the Gaza Strip on August 26 following the firing of two rockets from the Gaza Strip into Israel on August 25.

BLOCK QUOTES:

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1. Independent Al-Quds runs an editorial entitled, "The Settlement Activity Should Be Condemned with Clear Cut Sentences" (8/27): "[T]he U.S. Secretary of State, Condoleezza Rice, talked, after her meeting with [the Palestinian Authority (PA)] President Mahmoud Abbas in Ramallah, about the expansion of [Israeli] settlement activities, which have doubled several times during this year ... Her words in this regard were diplomatic because she said that she informed her Israeli counterparts that she does not believe that the [Israeli] settlement activity 'helps in the peace process' and that everybody, according to her, 'needs to take steps that reinforce trust between the two sides and everything that threatens this trust should be avoided'... The difference between what the American mediator in the peace process can declare regarding the settlement activity and what should be said is very big: the Israeli settlement activities in the West Bank are not discreet; in fact, the plans are published in the Israeli media. In addition, the American administration tracks Israeli settlement activities in several ways. General Fraser's group in the Palestinian Territories sends reports on this issue to the U.S. State Department. There are also satellites which observe the Israeli actions in the Palestinian Territories and around the world..."

2. Al-Hayat Al-Jadida runs an editorial by its Chief Editor, Hafez Al-Barghouthi, entitled, "Comprehensive Peace" (8/27): "[F]or the first time, there is some optimism in the statement issued by the Israeli Prime Minister and the U.S. Secretary of State regarding the reaching of an agreement before the end of the year [2008]. Moreover, the meeting of the U.S. Secretary of State with the [Israeli and Palestinian] negotiators together and separately confirms what she said during the press conference--that the two sides do not negotiate in front of the media. All this indicates the seriousness of the negotiations... [The Palestinian] president seeks a comprehensive and not partial peace...The Palestinians' determination in their stance and the support of the Palestinian dialogue in Cairo...may result in support for the Palestinian stance towards comprehensive peace. Without this, Israel will claim that there is no Palestinian partner, while in fact there is no Israeli partner capable of making a peace decision."

WALLES